

BUDGET LETTER

NUMBER: 06-04

SUBJECT: 2007-08 BUDGET PREPARATION GUIDELINES

DATE ISSUED: MARCH 28, 2006

REFERENCES: BL 05-22

SUPERSEDES: BL 05-04

TO: Agency Secretaries
 Departmental Directors
 Departmental Budget Officers
 Departmental Accounting Officers
 Departmental Chief Information Officers
 Department of Finance Budget Staff
 Department of Finance Accounting Staff

FROM: DEPARTMENT OF FINANCE

NOTE: Each department with a Capital Outlay program—please provide a copy of this Budget Letter (BL) to your facility manager.

The Department of Finance (Finance) is issuing this technical BL to assist departments in planning for the 2007-08 budget process. This technical BL contains budget preparation instructions relevant to departments at this time. Finance believes certain other technical instructions are more valuable when issued closer to the time that specific budget document(s), such as past year Schedule 10s, are prepared. Additional instructions will be issued at the appropriate time.

This BL provides instructions and information on the following topics. ***Bolded italic titles*** denote either new information or significantly revised sections.

1. General Information	2 (page)
2. Budget Change Proposals (BCP)	2 - 5
▪ <i>Time frame</i>	2 - 3
▪ <i>Where to Get the BCP Form</i>	3
▪ <i>General Guidelines and Procedures</i>	3 - 5
3. Positions Related Guidelines	5
4. Capital Outlay Budget Change Proposals	5 - 6
5. Information Technology	6
6. <i>Financial Reporting Requirements (deadlines)</i>	6
7. Pro Rata Assessments and SWCAP Allocations	7
8. Planning Estimate Adjustments	7 - 10
▪ Deficiencies	7
▪ <i>Employee Compensation</i>	8
▪ Price Increase for Operating Expenses and Equipment	9
9. Miscellaneous	10
10. Additional Technical Guidelines to be Issued Later	Attachment I
11. Annual Budget Preparation Calendar	Attachment II
12. Coordination of Information	Attachment III

I. GENERAL INFORMATION

The guidelines in this BL apply primarily to BCPs related to state operations and local assistance. Guidelines for Capital Outlay Budget Change Proposals (COBCPs) will be issued in a separate BL. Unless specifically identified as COBCPs, the term BCP refers to state operations and local assistance proposals, not capital outlay. However, this BL does include components that require identification for potential facility or capital outlay costs related to state operations and local assistance BCPs.

Budget Development Guidelines: This BL provides certain guidelines for the technical/procedural preparation of the 2007-08 Governor's Budget. Additional technical guidelines will be issued at a later time to facilitate preparation of various budget documents (Attachment I).

Budget Preparation Calendar: A brief Budget Preparation Calendar is provided to assist departments with the overall planning of the budget preparation process (Attachment II). More detailed general budget timetables are available in the Budget Analyst Guide (BAG) under Budget Calendars at: <http://www.dof.ca.gov/fisa/bag/budgetcalendars.htm>.

Price Letter Standards: Price Letter Standards for 2007-08 will be distributed in August 2006. Please note that the Department of General Services (DGS) will not publish the 2007-08 DGS Price Book until August 2007.

State Administrative Manual: The budgeting chapter (Chapter 6000) of SAM is a valuable source of information on the technical aspects of the budget and legislative processes. SAM Chapter 6000 can be accessed on the Internet at: <http://sam.dgs.ca.gov/default.htm>.

Timeliness and Confidentiality: As always, strict adherence to all schedules and due dates stipulated in this memo and in the attachments is required. **Until release of the Governor's Budget, please remember that all information contained in budget documents used during the Governor's Budget development process is strictly confidential.**

II. BUDGET CHANGE PROPOSALS

Timeframe

BCPs, including requests for Budget Bill language changes, must be submitted to Finance no later than **September 13, 2006**, or by an earlier date established by the Finance Program Budget Manager. **[Exception:** BCPs for chaptered legislation and late requests approved by Finance (see below)]. Major COBCPs and the Five-Year Infrastructure Plans for 2007-08 are due by **June 2, 2006**, and minor COBCPs are due by **July 3, 2006**.

BCPs pertaining to information technology (IT) projects are subject to the same submittal deadlines as other BCPs. Departments subject to Finance IT reporting requirements are responsible for preparing the appropriate project documents (Feasibility Study Reports (FSR) and Special Project Reports (SPR)) for projects associated with BCPs submitted for the fall budget process. The project documents must be received by the Office of Technology Review, Oversight, and Security (OTROS) by **July 17, 2006**. **In addition, each department's Chief Information Officer (CIO) is now required to review and sign all BCPs with IT components prior to submission to Finance.** Any questions

regarding the Finance IT reporting requirements should be addressed to the department's OTROS Review and Oversight manager.

BCPs requesting funds for legislation chaptered through August 31, 2006, must be submitted no later than September 13, 2006. However, for bills enacted after August 31, BCPs must be submitted **no later than 10 working days after the chaptering of the bill**. Unless prior Finance approval has been granted, no BCPs for chaptered legislation will be accepted if submitted after the applicable time limit.

The Agency Secretary, or Departmental Director for those departments that do not report to an Agency Secretary, must approve any request for late BCP submittal. These late requests must be submitted in writing to **Stephen Kessler**, Chief Operating Officer, Department of Finance, no later than **August 25, 2006**. Requests for late submittal are limited to those issues involving the most exceptional circumstances.

Where to Get the BCP Form

The latest version (January 2006) of the BCP form is available either entirely in Word format or as a combination of a Word document (text portions) and an Excel document (fiscal detail). The combination version should reduce the time and effort needed to enter numbers in the BCP, and it will reduce errors by making most calculations automatically.

- Departments may obtain both versions and instructions for completion of the BCP forms (DF 46) via a Word or a Word/Excel document downloaded or a hard copy printed from the Finance BL website at:
http://www.dof.ca.gov/html/budletr/forms/fin_form.htm.

Hard copy BCP submittals are still required. Do not submit BCPs electronically.

In order to assist in the development of high quality BCPs, suggestions on how to write effective BCPs are available in the BAG, as are some BCP examples.

General Guidelines and Procedures for BCPs

1. **All information contained in BCPs is strictly confidential until release of the Governor's Budget.** Each department is responsible for maintaining the confidentiality of its respective BCPs until approved for release (usually simultaneously with the release of the Governor's Budget in January). Disapproved BCPs and disapproved versions of BCPs remain confidential working papers and must not be released. Responses to any requests for confidential budget documents under the Public Records Act or pursuant to discovery requests must be coordinated with Finance legal staff.
2. **The appropriate Agency Secretary must approve BCPs (including COBCPs).** Departments proposing changes which involve other departments or other departments' funds must obtain and attach written concurrence and/or comments on the proposed change from the affected department(s) Director(s) or designee(s) prior to submitting the BCP to Finance. **The BCP form was recently revised and now requires each department's CIO to review and sign all BCPs with IT components prior to submission to Finance.** BCPs that do not have the appropriate approval and, when applicable, concurrence and/or comments, will be returned without consideration.

3. **BCPs must be submitted in duplicate**, except that BCPs requesting funds for information technology, auditing and/or accounting positions, which propose increased facility operations expenditures (lease costs), related capital outlay costs or that impact other departments must be submitted in quadruplicate.
4. **Funding for chaptered legislation that does not contain a specific appropriation must be requested in a BCP.**
5. BCPs requesting funds from a special or bond fund must be accompanied by an updated fund condition statement or by a statement of fund availability from the department administering the fund (if different from the requesting department).
6. BCPs requesting additional funds for IT projects must be supported by an FSR or SPR. FSRs and SPRs must be submitted to Finance/OTROS by **July 17, 2006**. BCPs not meeting this requirement may be returned without further consideration.
7. **Departments must provide a well-written, complete BCP.** Departments must not rely on providing subsequent back-up material to respond to Finance inquiries to provide needed justification for the request. There simply is not sufficient time to explain and refine every proposal through a question and answer process. BCPs, which are incomplete by virtue of failing to provide relevant information in written form, may be returned to departments without analysis at the discretion of Finance.
8. **BCPs must include all appropriate documentation, workload statistics, and code citations.** BCPs must be of good quality or they will be returned without consideration. Do not use type fonts smaller than Arial 11 point or comparable for the "Analysis of Problem" section. Each BCP must be submitted in hard copy on the prescribed form. Note that the fiscal detail for personal services and operating expenses **must** be provided as shown on the BCP form and **not** in the abbreviated format that appears in the Governor's Budget. The budget year plus one fiscal data **must** be provided. If a proposed change is funded through redirection, both the positive and negative changes must be reflected on separate Fiscal Detail Sheets. BCPs proposing redirections must include a statement of the immediate and future impact on the program from which the resources will be redirected. When submitting a BCP that affects more than one program or element within programs, provide a summary of the overall fiscal detail and attach a separate fiscal detail sheet for each program/element affected. All program information must be consistent with the display in the Governor's Budget.
9. BCPs must be assigned an individual priority number. (Priority must be indicated by sequential numbering, with No. 1 being the highest priority.) Multiple issues may not be consolidated as a single priority. However, BCPs that address a single issue, but impact multiple programs, divisions, or units, may be consolidated.
10. Responses to all items identified in the BCP form are required. BCPs must describe the methods of calculation and sources of data for all numbers used, either in Section F "Analysis of All Feasible Alternatives" of the "Analysis of Problem", or as a separate attachment. Departments are encouraged to consult with their Finance Budget Analysts on analytical approaches, data sources, and content of the written BCPs prior to submission to Finance.

11. BCPs requesting new positions and/or programs must include both a narrative explanation and fiscal detail addressing the impact these new positions/programs will have on the facility needs of the department in the "Analysis of Problem" Section D "Facility/Capital Outlay Considerations". **BCPs that do not include this information will not be considered.**
12. In the "Analysis of Problem," Section E "Justification," describe how the proposal is consistent with the department's strategic plan by identifying the objective(s) the BCP will support, if applicable.
13. Each BCP must contain a discussion of alternative ways (other than the one being proposed and the status quo) to address the identified problem. **Submittals that do not meet these criteria will be rejected.**
14. Attachment III provides a list of designated lead agencies responsible for the coordination of specified subject areas/programs.

III. POSITIONS RELATED GUIDELINES

Requests for New Positions—The Administration's policy is to continue to contain the growth in authorized positions. Requests for new positions generally will be limited to redirections of existing positions. When requesting new positions, departments are required to clearly establish the long and short-term benefits to be gained by increasing personnel as opposed to other possible alternatives (e.g., automation, workload readjustments). Other alternatives that have been considered must also be identified. BCPs requesting new positions must justify why a redirection is not possible. If new positions are approved, positions will be budgeted at the mid-step, unless a higher level is justified for hard-to-fill classifications or based on the department's hiring practices. Finance must approve the establishment of any position above mid-step of the respective salary range.

IV. CAPITAL OUTLAY BUDGET CHANGE PROPOSALS

Major Capital Outlay Budget Change Proposals (COBCPs)

Technical revisions to departments' COBCPs submitted by June 2, 2006, will be accepted by Finance through **September 8, 2006**, for conforming action to the 2006-07 Budget.

Changes for any other reason will be deferred to the 2008-09 capital outlay budget cycle. The capital outlay process is described in SAM Sections 6801, et seq. and is available at the DGS website at: <http://sam.dgs.ca.gov/TOC/6000/6801.htm>.

In some cases, revised COBCPs submitted to conform to the 2006 Budget Act may necessitate amendments to departmental five-year infrastructure plans required by Chapter 606, Statutes of 1999 (AB 1473). This legislation requires the Governor to annually submit a five-year capital infrastructure plan in conjunction with the Governor's Budget beginning in January 2002. Detailed information on the submission of five-year infrastructure plans and COBCPs for the 2007-08 fiscal year will be forthcoming. In addition, a procedures manual for completing the five-year plan in accordance with the requirements of Chapter 606 is available on Finance's website: <http://www.dof.ca.gov/fisa/bag/bagtoc.htm>, Capital Infrastructure Plan Procedures.

As Finance capital outlay staff begins to review the five-year plans, some departments may be directed to provide clarification and/or amendments to their plans. Departmental responses to these requests should be timely to avoid delaying the preparation of the Governor's five-year infrastructure plan.

Minor COBCPs

COBCPs for minor capital outlay projects for 2007-08 must be detailed by specific projects with cost and scope information and submitted to Finance no later than **July 3, 2006**. A single summary COBCP is required for minor projects. Future instructions will be provided related to spreadsheet submittals. **Send two copies to Finance** and two copies to DGS Customer Account Management Branch. The dollar limit for each minor capital outlay project is \$400,000, with the exception of certain departments in the Resources Agency.

V. INFORMATION TECHNOLOGY

A future BL will be released shortly to provide specific Information Technology Budgeting Guidelines.

Line-item display in the Governor's Budget

Although "information technology" is not displayed as a separate line in the Expenditure by Category (Summary by Object), departments must report these costs in a manner that distinguishes the department's internal costs from consolidated data center costs in the Supplementary Schedule of Operating Expenses and Equipment (Form DF-300).

Departments are required to inform the data center, from which they intend to obtain services, of: (1) all activities and any significant changes in information technology services anticipated and (2) the information technology equipment that will be included in their budget but obtained from the data center. Failure on the part of the department to inform the data center could have an adverse impact on the centers' ability to support the procurement.

VI. FINANCIAL REPORTING REQUIREMENTS

The following schedule applies to the 2005-06 year-end financial statements for submittal to the State Controller's Office (SCO) and the State Treasurer's Office:

July 31, 2006 General Fund, feeder funds (0081, 0084, 0085, 0086, 0088 through 0091, 0094, 0095, and 0097), economic uncertainty funds (0374, 0375, and 0377), and Budget Stabilization Account (1011).

August 21, 2006 All other funds.

(Agency generally accepted accounting principles (GAAP) information requested by the State Controller is due to SCO by September 1, 2006.)

Departments are responsible for both the accuracy and timeliness of the year-end reports. Government Code Section 12461.2 authorizes the SCO to withhold any or all operating funds from a department if that department fails to submit complete and accurate financial reports within 20 days of the prescribed due dates. Therefore, departments should plan carefully to meet year-end reporting deadlines. To assist with

this process, CALSTARS departments are reminded of the availability of sample task lists, checklists, year-end training sessions, and individualized assistance through the CALSTARS Hotline: phone (916) 327-0100 or e-mail: <mailto:hotline@dof.ca.gov>. The CALSTARS Training Schedule can be accessed at: <http://www.dof.ca.gov/html/calstars/training/training.htm> and the Procedures Manual at: <http://www.dof.ca.gov/html/calstars/procedure/procedure.htm>. Departments may also contact Finance's Fiscal Systems and Consulting Unit, for assistance at (916) 324-0385 or via e-mail at: <mailto:fscuhotline@dof.ca.gov>.

VII. PRO RATA ASSESSMENTS AND SWCAP ALLOCATIONS

It is anticipated that Pro Rata assessments and SWCAP (Statewide Cost Allocation Plan) allocations will be available by **October 6, 2006**. Guidelines will be provided in a separate BL to be issued in October 2006. For an overview of Pro Rata and SWCAP, please refer to the Finance Pro Rata and SWCAP website at: <http://www.dof.ca.gov/fisa/proswcap/proswcap.htm>.

VIII. PLANNING ESTIMATE ADJUSTMENTS

General

Departments must provide a concise and brief explanation and provide a breakdown of each adjustment for Planning Estimate (PE) lines with "(SPECIFY)". Each PE line is not limited to one adjustment; numerous/separate adjustments can be posted to each PE line.

Initial Planning Estimates

Initial PEs (Finance computer-generated) for currently authorized program levels (exclusive of capital outlay and continuous appropriations) for all funds will be issued by Finance in August or early September. Finance will be responsible for developing PEs in consultation with departmental staff. Direction for policy adjustments will be issued as information becomes available. PEs may include the following adjustments as appropriate.

CURRENT YEAR ONLY

Deficiencies

In the event that contingencies or emergencies arise that would cause a department to over-expend its appropriation for 2006-07, the department must notify its Finance Budget Analyst immediately. Requests for deficiency funding must be in writing, and in accordance with items 9840 of the 2006 Budget Act. Additional information is available in the BAG at <http://www.dof.ca.gov/fisa/bag/deficien.htm>.

Adjustments should be made to the current year PE for all deficiencies that will be displayed in the Governor's Budget.

CURRENT YEAR AND BUDGET YEAR

Appropriation Balances Carried Forward (Carryover Appropriation Expense)

Appropriation balances are to be carried forward from a prior year when funds are still available and program requirements continue. Carryovers from 2005-06 to 2006-07 initially may be estimated but must ultimately agree with the year-end financial statements submitted to SCO. Carryovers into 2006-07 that are not expected to be expended and are still available must be included as carryovers into 2007-08 unless a reversion item is to be included in the 2007 Budget Bill. In the case of capital outlay programs, where many appropriations are available for three years, the department must estimate expenditures over the three-year period. In some cases, an appropriation may be carried over into future years (2008-09 and after). Departmental staff and Finance staff must work with SCO to resolve any differences in authorized carryover estimates to ensure that the budget and SCO's records agree.

Chaptered Legislation

If funding is requested for chaptered legislation containing a specific appropriation, the funding can be included in the PE (on Line 0550 Financial Legislation with Appropriation). If funding is requested for chaptered legislation which **DOES NOT** contain a specific appropriation but for which there is a cost, a BCP is required.

Employee Compensation

Eighteen of the state's Collective Bargaining Unit Memoranda of Understanding will expire by July 2006. The Department of Personnel Administration will be negotiating with the various bargaining units to reach agreement on new memoranda of understanding. Any pay increases provided for in the new agreements will be addressed in a forthcoming BL which will provide instructions on planning estimate adjustments required for these pay increases as well as for those units whose memoranda of understanding have not expired.

Employer Retirement Contribution Rates—(Public Employees' Retirement System)

A forthcoming BL will provide instructions on planning estimate changes required for changes to the state's contribution rate for retirement.

Limited-Term Positions, Expiring Programs and Continuously Vacant Positions

PEs and initial budget galleys must be adjusted for limited-term positions/expiring programs (PE line 0250) and continuously vacant positions (PE line 0300). Adjustments must include reductions for both Personal Services and Operating Expenses and Equipment, where appropriate.

One-Time Costs

PEs must be adjusted downward for the impact of previously budgeted one-time costs (use PE line 0350). A brief description of the adjustment **must** be included.

Transfers

Expenditure transfers between items of appropriation **within a fund** (e.g., from a state operations item to a local assistance item or between departments) must be reflected separately on the PE using the "Transfers To" and "Transfers From" lines (i.e., lines 0600 and 0650). Expenditure transfers **between funds** should not be reflected on these two PE lines. These transfers should be reflected on other PE lines such as 0700 (Miscellaneous Baseline Adjustment), 0550 (Financial Legislation with Appropriation), etc., depending on the authority for the transfer. All transfers must be specifically authorized in the Budget Act, special legislation, or other statute. The appropriate authority must be cited in the description of the adjustment.

Revenue transfers must not be reflected on the PE. Revenue transfers are to be reflected on the appropriate Schedule 10R (Supplementary Schedule of Revenues and Transfers).

Miscellaneous Baseline Adjustments

Use PE line 0700 (Miscellaneous Baseline Adjustments) only if the adjustments do not appropriately fit into any other category on the PE Worksheet (e.g., Pro Rata adjustments). A brief/concise description of the adjustment **must** be included. Do not combine various adjustments into one entry. Finance Program Budget Managers will determine whether the adjustments are baseline or policy.

BUDGET YEAR ONLY

Price Increase for Operating Expenses and Equipment

Government Code Section 13308.05 authorizes a price increase baseline adjustment in the budget year only. The base that departments are to use for purposes of calculating the price increase adjustment is total operating expenses and equipment expenditures authorized in the 2006 Budget Act adjusted for major one-time expenditures. Departments may then apply to this base amount the U.S. state and local implicit deflator. In order for those adjustments to be included in the PEs as baseline adjustments, departments will need to provide the adjustment amount and any necessary back-up information to their respective Finance Budget Analysts by **October 13, 2006**. The backup information must also include a split of the price increase by item of appropriation. If departments can justify that another methodology may be more appropriate in calculating the budget year price increase, they should contact their Finance Budget Analyst. The U. S. state and local implicit deflator will be provided by September 29, 2006.

Merit Salary Adjustment

Government Code Section 13308.05 also includes funding for Merit Salary Adjustments (MSAs) in their definition of a workload budget. However, savings result when positions return to the bottom step after staff promotions or departures, which are then available to pay for the costs of MSAs. Therefore, departmental budgets already include sufficient funding for this purpose, and no baseline adjustments will be made.

Full-Year Costs of Programs Initiated in the Current Year

The full-year cost of programs authorized to begin after July 1 in the 2006-07 Budget may be included as baseline adjustments for 2007-08 (PE line 0400 Full Year Cost of New/Expanding Programs) at the discretion of the Finance Program Budget Manager. Increases which are greater than the amounts previously documented in BCPs or other documents must be fully justified through the BCP process.

Enrollment/Caseload/Population Adjustments

All enrollment, caseload or population adjustments may be considered either policy (PE lines 1000 Miscellaneous Policy Adjustments or 1200 Other Budget Change Proposals) or baseline (PE line 0850 Enrollment/Caseload/Population) changes. While these adjustments are generally baseline changes, many of them could be considered policy changes. All such changes must be forwarded to and cleared through the Finance Program Budget Manager. If approved, these adjustments will be reflected in the PEs.

Other BCPs

If approved, all BCPs that are not enrollment, caseload, population, cost-of-living adjustment, or financial legislation are reflected on PE Line 1200 (Other BCPs).

IX. MISCELLANEOUS

Budget Bill Appropriations Format

All budgets must be submitted in the program format. Any exceptions require Finance Program Budget Manager approval.

Reorganizations

All changes to departmental program structure must be submitted by **September 13, 2006**, and approved by Finance prior to being reflected in the budget spreadsheet. When considering reorganizations, departments are referred to Article 1, commencing with Section 11150 and Article 7.5, commencing with Section 12080 of the Government Code, as well as Section 0130 of SAM.

If you have any questions, please contact your Finance Budget Analyst.

/s/ Veronica Chung-Ng

Veronica Chung-Ng
Program Budget Manager

Attachment

ADDITIONAL TECHNICAL GUIDELINES TO BE ISSUED LATER

Subject Title	Target Release Date	Last Instructions Issued	SAM/Internet Reference
Capital Outlay Five-Year Infrastructure and Budget Submission for 2007-08	March	BL 05-07	6821, et seq.
Information Technology / Budgeting Guidelines	April	BL 05-06 MM 02-20	4800-5180 6700-6780
Budget Policy	June	BL 05-18	--
Initial Past Year Schedule 10s	July	BL 05-11	
Price Letter	August	BL 05-22	http://www.dgs.ca.gov/
Preparation of Governor's Budget	August	BL 05-23	http://www.dof.ca.gov/html/budlettr/forms/fin_form.htm
Salaries and Wages Spreadsheet (Authorized Positions and Cost Estimates)	August	BL 05-20	6415, et seq., 6429, 6448, 6521
Employer Retirement Contribution Rate Adjustment	Shortly after Salaries and Wages Spreadsheet	BL 05-25	--
Initial Schedule 10Rs (Supplementary Schedule of Revenues and Transfers)	August	BL 05-24	
Past, Current, and Budget Year Schedule 10s (Supplemental Schedules of Appropriations)	September	BL 05-26	6839
Employee Compensation	October	BL 05-31	--
SWCAP/Pro Rata	October	BL 05-28	8752-8758 http://www.dof.ca.gov/fisa/proswcap/swcap_detail_reports.htm
Submission of Budget Materials to the Legislature and the Legislative Analyst's Office	December	BL 05-33	

Annual Budget Preparation Calendar*

July		August	September	October	November	December	January
1	Additional technical budget development instructions issued by Finance		Completed Salaries/Wages Spreadsheets (Schedules 7A/8) to Finance		Finalization of Governor's proposed initiatives		Updated Supplementary Schedules to Finance
2			Updated past year and initial current and budget year Sch 10s to depts				
3	Minor capital outlay requests to Finance			Pro Rata assessments/ SWCAP allocations to depts.			
4					Finance Director's budget decision hearings	Revenue forecast	
5	Budget policy to depts.		Schedule 10Rs to depts				
6	Employer retirement contribution rate adjustment.						
7		Budget spreadsheets to depts.					
8			All BCPs (including policy initiatives) and budget bill changes to Finance				Governor's Budget and Budget Bill to the Legislature
9						Governor's final briefing by Finance	
10	Initial past year Schedule 10s and Controller's Schedule						Updated Supplementary Schedules and BCPs to the Legislature
11	8 tabulations to depts.	Price Letter to depts/price book available.	Schedule 10Rs to Finance				
12	Depts submit IT proposals (FSR, SPRS) to Finance	Depts complete non-General Fund year-end financial statements, Salaries and Wages spreadsheet to depts.		Employee compensation instructions to depts	Update/turnaround of budget spreadsheet/schedules to reflect Finance Director's decisions	Finalization of all budget documents to reflect Governor's decisions	
13						Budget spreadsheet/narrative finalized	
14						Verification of Budget Bill	
15	Depts complete fiscal assessment and development of budget requests						
16							
17							
18	Depts complete General Fund year-end financial statements	BCPs, organizational changes, redirections, program continuation justifications, policy items, updated past year Sch 10s, and revised capital outlay program to Finance. Initial planning estimates to depts.	BCPs for unfunded newly enacted (chaptered) legislation to Finance			Development and finalization of Governor's Budget Summary ("A" Pages) narrative	
19							
20							
21							
22							
23							
24							
25							
26							
27							
28							
29							
30							
31							

*** IMPORTANT:** THIS CALENDAR REFLECTS GENERIC TIME FRAMES AND IS PROVIDED TO TARGET CRITICAL "CUT OFF" PHASES IN THE ANNUAL BUDGET DEVELOPMENT SCHEDULE. IT IS A SUMMARY TIMETABLE ONLY. FOR SPECIFIC DEADLINES, PLEASE REFER TO THE APPROPRIATE SECTION IN THIS BUDGET LETTER AND/OR SUBSEQUENT BUDGET DEVELOPMENT INSTRUCTIONS AS THEY BECOME AVAILABLE. MORE DETAILED INFORMATION IS AVAILABLE AT THE FINANCE BUDGET ANALYST GUIDE (BAG) AT <http://www.dof.ca.gov/FISA/BAG/BUDGETCALENDARS.HTM>. CAPITAL OUTLAY PROPOSALS FOLLOW A SEPARATE TIMELINE.

COORDINATION OF INFORMATION

For BCPs dealing with the topics listed below, lead agencies or departments have been designated. Departments seeking funding for programs in these areas must coordinate the development of all related budget components, including BCPs, with the appropriate lead agency or department.

Topic	Lead Department	Contact	Phone
AIDS	Health Services/Office of AIDS	Michael Montgomery	449-5905
Toxics			
Hazardous Waste Control Account (Fund 0014)	Toxic Substances Control	Odette Madriago	445-7076
Unified Program Account (0028)			
Toxic Substances Control Account (0557)			
Proposition 65 (Safe Drinking Water and Toxic Enforcement Act of 1986)	Office of Environmental Health Hazard Assessment	Cynthia Oshita	322-2068
Environmental License Plate Fund (Fund 0140)	Resources Agency	Pat Kemp	653-9709
Perinatal Services	Alcohol and Drug Programs	Sharon Dais	323-3216
Temporary Assistance for Needy Families (TANF) Block Grant, including CalWORKs and TANF MOE	Social Services	Gail Tanaka	654-0713
Proposition 99 (Tobacco Tax and Health Protection Act of 1988)	Finance	Ken DaRosa	445-6423
Public Resources Account (Fund 0235)	Resources Agency	Pat Kemp	653-9709
Proposition 98 (Classroom Instructional Improvement and Accountability Act)	Finance	Nicolas Schweizer	445-0328
Proposition 117 (California Wildlife Protection Act of 1990)	Resources Agency	Pat Kemp	653-9709
Motor Vehicle Account (Fund 0044)	Finance	Kathryn Amann	322-2263
Petroleum Violation Escrow Account (Fund 0853)	Finance	Matt Almy	324-0043
Employee Compensation/Employer Retirement Contribution Rate Adjustments	Finance	Tim Lynn	445-3274
State Penalty Fund (0903)	Finance	Sarah Mangum	445-8913
Natural Resources Infrastructure Fund (0383)	Resources Agency	Pat Kemp	653-9709
Health Insurance Portability and Accountability Act (HIPAA)	Health and Human Services Agency	Burt Cohen	654-3454